January 18, 2010

Welcome New Members!

Please direct inquiries about membership to the SGS website's About Us page.

News You Can Use

Happy New Year!

2010 Dues

The 2010 membership dues are now due. If you joined in October – December, 2009, your membership is good through 2010. Checks for membership dues ($25) should be made payable to the Southern Gold Society and mailed to David Crenshaw, P.O. Box 237, Dacula, GA 30019. Thank you!

Annual Gathering

There is a annual gathering scheduled during the Georgia Numismatic Association Coin Show, April 16-18, 2010.

Make plans to come join the 2010 Southern Gold Society's official gathering during the Georgia Numismatic Association Coin Show. The coin show will be held April 16-18, 2010 at the Northwest Georgia Trade and Convention Center in Dalton (I-75, Exit 333). The gathering will be on Friday, April 16.

In keeping with our Mission Statement, the gathering is not a regimented program, but more like a social event.

The gathering starts 6:30 p.m. at Tijuana Mexican Restaurant, 2306 Chattanooga Road, Dalton, GA, (706) 272-0524.

Writer's Needed

One of the purposes of the SGS is to "enjoy each member's knowledge." This newsletter is one of the ways this numismatic knowledge is dispersed. *The frequency of the newsletter is driven by the number of submissions for publication*. The editor of the SGS eNewsletter needs new material and welcomes the opportunity to review your original article for publication. Articles should be relevant to the study of the gold coins and related history of the Dahlonega, Charlotte, and New Orleans branch mints and private minters Templeton Reid and the Bechtlers. If you do a presentation at a gathering or other venue, consider compiling your notes into an article. Do not worry about the grammar. The editor will do the rest. Electronic manuscripts should be submitted by email to dcnumisma@charter.net.

United States Gold Counterfeit Detection Guide
By Bill Fivaz

Whitman's United States Gold Counterfeit Detection Guide is a full-color, 224-page reference for identifying fake gold coins, from dollars to double eagles.
>> read more

Feature

The Post-Civil War Operations of the New Orleans Mint

By David Ginsburg

The operations of the New Orleans Mint, unlike the other US Mints, clearly fall into two periods: the Antebellum Period (from 1838 to early 1861), when the New Orleans Mint operated in a thriving city that exported the products of the Mississippi River valley and, the Post-Civil War Period (from 1878 to 1909), when New Orleans was reduced to being a commercial backwater and the Mint was primarily devoted to churning out tens of millions of unwanted Morgan silver dollars.

It's easy to see the difference between the two periods: in the 24-year Antebellum Period, the New Orleans Mint produced $31.1 million of silver coins and $40.4 million of gold coins, whereas in the 31-year Post-War period, the New Orleans Mint produced $219.4 million of silver coins and only $8.5 million of gold coins.

In reviewing the Mint Annual Reports from 1876 to 1910, it's clear that the New Orleans Mint was much busier in the Post-War Period than it was in the Antebellum Period. In a typical antebellum year, the New Orleans Mint produced 4.1 million coins, with a peak production of 10.3 million coins across nine denominations in 1854. In contrast, in a typical post-War year, the New Orleans Mint produced 8.7 million coins, with a peak production of 21.7 million coins of five denominations in 1901.

What's very interesting is that the New Orleans Mint met most of this increased demand with the same four coin presses it used during the Antebellum Period! (Which is, of course, a topic for another article?)

Before I begin a review of the New Orleans Mint's Post-War operations, however, I'd like to highlight three rather curious incidents:

Poor Quality Assays in 1882

From the 1883 Mint Annual Report:

> The committee on assaying [which met during February 1883,] reported that the "results are all within the limits of tolerance as required by law, with the exception of one sample coin from the delivery at the New Orleans Mint January 14, 1882, the fineness of which is 898.93, being seven one-hundredths of one-thousandth below the legal limit."
>
> The fact that one of the gold coins reserved at the mint at New Orleans was deficient in fineness was certified to by the commission and reported to the President.
>
> The Superintendent of the mint at Philadelphia, Mr. A. Loudon Snowden, was instructed to proceed to New Orleans to ascertain the cause of the defective coinage. From the facts disclosed by his report and the records it was deemed advisable that a change should be made in

> the office of assayer, and Dr. Jos. Albrecht [who had been Assayer since 1878] was superseded by Dr. B.F. Taylor, who had been coiner of the mint prior to the late war. He was commissioned June 27 [1883], and entered upon his duties after the close of the annual settlement [on June 30, 1883].
>
> The assay coins from the mint at New Orleans represented a gold coinage of only $108,200…
>
> It had been previously ascertained by the monthly tests at this Bureau that the gold coin of one delivery at the New Orleans mint was deficient in fineness and the Superintendent was instructed to withhold from circulation all the coin in his custody that had been made from the defective melt of ingots, for the purpose of recoinage.
>
> The melter and refiner, Dr. M.F. Bonzano, was superseded by the assistant assayer, Mr. F.F. Claussen, who was commissioned June 27 [1883].

According to the Mint Annual Report, of the 10,820 eagles that were the only gold coins minted in New Orleans in 1882, 7,320 were minted between January and June and 3,500 were minted between July and December. The Assay Commission report shows deliveries (and the number of assay coins reserved from those deliveries) on January 14 (two coins), March 20 (two coins), June 1 (two coins) and 14 (three coins) and November 22 (four coins). The Mint's practice (as required by the Coinage Act of 1873) was to send for assay one coin per thousand (or portion thereof) gold coins minted.

Also, although the Report didn't indicate any connection, it's interesting that Dr. Bonzano, the melter and refiner, left at the same time Dr. Albrecht was replaced.

Theft by the Cashier in 1893
From the 1893 Mint Annual Report:

> The annual settlement of the mint at New Orleans, June 30, 1893, was superintended by Mr. H. Clay Stier, of the office of the First Auditor, and Mr. Leonard Magruder, of New Orleans, who witnessed and took account of the bullion and coin delivered by the melter and refiner, and coiner to the superintendent in settlement of their accounts, after which they weighed the bullion and counted the coin and other moneys with which the superintendent was charged, and for which he is responsible.
>
> In counting the currency (Treasury notes) in the cashier's vault a deficiency of $25,000 was found, which the cashier claimed were destroyed by a fire that occurred in his vault between the closing of the same Saturday afternoon, June 24, and the opening thereof on Monday morning, June 26, 1893.
>
> On June 26, 1893, the superintendent of the mint advised this Bureau by telegraph of the fire, and

> requested that some competent person who was accustomed to the handling of charred money be sent from the Department to count the money charred by the fire in the cashier's vault. Through the courtesy of the Treasurer of the United States, Mrs. L.E. Rosenberg, of the redemption division, was sent to New Orleans, who, after much patient labor, found among the charred paper $1,182 in currency which had not been destroyed beyond identification, leaving a deficiency of $23,818 to be accounted for. The circumstances of the fire were such as to lead to the belief that it was not accidental, but of incendiary origin, for the purpose of concealing a shortage in the cashier's accounts, he being the only person having access to the vault. Taking this view of the case, a thorough investigation as to the origin of the fire was made by Mr. A.R. Barrett, of the secret service. The evidence collected by him was deemed sufficient to justify the arrest of the cashier, who was taken before the United States commissioner, and gave bail for his future appearance.

From the 1894 Mint Annual Report:

> The former cashier of the mint at New Orleans, who was arrested for the embezzlement of $25,000 in June, 1893, was tried before the United States court at New Orleans in December last, and was acquitted of the charge.
>
> Suit has been instituted against the former superintendent, Dr. Andrew W. Smyth, and is now pending for the recovery of the amount.

The position of Cashier was created as a result of the Coinage Act of 1873, which directed that "the offices of the treasurer of the mints in Philadelphia, San Francisco, and New Orleans shall be vacated," and "[t]he duties of the treasurers shall devolve as herein provided upon the superintendents, and said treasurers shall act only as assistant treasurers of the United States…" Essentially, the position of Treasurer of the Mint was demoted from a Presidential appointment to a subordinate of the Superintendent. The Act also required the officers of the mints to post a bond of between $10,000 and $50,000 for the faithful and diligent performance of their duties, which explains why the Government instituted a suit against Dr. Smyth.

While the theft may have played a role in why Dr. Smyth became a "former superintendent," it wouldn't explain why the Assayer, Melter & Refiner and Coiner were also replaced at the same time. A more likely explanation is that President Grover Cleveland, a Democrat, who took office for his second term on March 4, 1893, also took the opportunity to replace the officers of the New Orleans Mint who had served under his predecessor, President Benjamin Harrison, a Republican.

Poor Quality Gold Bars in 1893
From the 1894 Mint Annual Report:

> In September, 1893, two half eagles were received from the New Orleans mint which showed on assay that cuttings from the same piece varied in fineness from

.899 to .900,3. This being entirely unusual in the assay of standard gold, five additional pieces from the same delivery were asked for and furnished by the superintendent at New Orleans.

A large number of assays was made from these pieces, with the same strange results, fully confirming the accuracy of the previous work. A mass melt was made of the residue of these coins, and after a thorough mixing an ingot was obtained of uniform fineness showing only .899,5.

The issue of these coins was stopped, and Mr. Cabell Whitehead, the assayer to the Mint Bureau, was instructed to proceed to New Orleans and ascertain, if possible, the cause of this apparent "segregation" in gold bullion. One lot of $125,000 in half eagles was melted into ingots. A remelting was found necessary before a uniform assay could be obtained, and this showed a fineness of only .899,5, although the ingots from which the coins were originally made were passed at .900.

The mint at Philadelphia, working on bullion of the same description, suffered from an unusual number of melts condemned as "not mixed." Attention was naturally attracted to the history of the bullion which caused the trouble, and it was found that the bars sent to New Orleans and the Philadelphia mint were made several years ago at the New York assay office from foreign coin – chiefly Spanish. It was not refined, the natural supposition being that it was suitable for coinage, although it is now recalled that some difficulty was experience in getting uniform assays.

The facts seemed to indicate the presence of some unusual element in this bullion, which only a complete analysis would reveal. The following table shows two such analyses made by the assayer of the Bureau. One is from a sample of the bullion sent to New Orleans, and the other is of coin made at the Philadelphia mint from bullion of the same character:

Metals	New Orleans coin made (from Spanish coins).	Philadelphia coin made (from Spanish coins).
Gold	896.3000	900.2000
Silver	9.9650	7.1000
Copper (by dif)	93.6087	92.5654
Iron	0.0620	0.0300
Platinum	0.0470	0.0470
Lead	Trace	Trace
Bismuth	Trace	Trace
Arsenic	Trace	0.0002
Antimony	0.0013	0.0014
Tin		Trace

Zinc	0.0150	0.0500
Nickel and cobalt	0.0010	0.0060
Total	1000.0000	1000.0000

The presence of zinc, nickel, and cobalt is unusual in gold bullion. The percentage of iron shown by the assays is a little higher than usual, but the presence of even larger quantities of this metal has not been found to cause segregation in gold ingots. We have not the same assurance as to the effect of zinc even in small quantities, and it is believed that the troublesome and anomalous results above mentioned may be fairly attributed to the presence of zinc in the bullion.

According to the Mint Annual Report, of the 110,000 half eagles that were minted in New Orleans in 1893, 47,000 were minted between January and June and 63,000 were minted between July and December. Furthermore, the Mint's Production Journal shows that 30,000 half eagles were produced in February, 17,000 in March, 8,000 in August, 25,000 in September, 4,000 in October, 44,000 in November and 7,000 in December, for a total of 135,000 coins. The 25,000 minted in September were melted, resulting in a total mintage of 110,000.[1]

The New Orleans Mint received deposits of $1.8 million of gold in the fiscal year ending June 30, 1894, of which $1.5 million was a redeposit of the troublesome unparted gold bars. (The Philadelphia Mint recorded redeposits of $6.1 million in unparted bars in the same period.) Most of this gold was most likely used to mint the $1.6 million of gold coins that were minted between July 1893 and June 1894: 122,000 eagles (consisting of 17,000 1893-dated coins and 105,000 1894-dated coins) and 79,600 half eagles (consisting of 63,000 1893-dated and 16,600 1894-dated coins).

Interestingly, the Mint Report doesn't indicate any trouble with the eagles minted in either 1893 or 1894, or the half eagles minted in the first half of 1893 or in 1894.

This is the first in a series of articles on the New Orleans Mint's Post-Civil War operations. In subsequent articles, I'll examine the gold deposits during the period, the New Orleans mint's operating constraints (that led to the intermittent mintages of eagles and the absence of most other gold denominations), the relationship between the Panic of 1893 and the eagles and half eagles of 1892-1894 and the Mint's officers, at least one of whom led a very colorful life.

1. Information from the Mint's Production Journal (NARA College Park, MD. RG104, entry 171, vol. 4 of 5) is provided courtesy of Roger W. Burdette.

Mission Statement

The Southern Gold Society was formed to increase the enjoyment and study of Southern gold coins and related history, through an informal, relaxed mix of education and fellowship. The society is reminiscent of those of a bygone era, in which connoisseurship and a gentlemanly appreciation of Southern gold coins is the order of the day.

Purpose

- To facilitate the enjoyment and study of the gold coins and related history of the Southern branch mints (Dahlonega, Charlotte, and New Orleans) and private Southern minters (Templeton Reid and the Bechtlers).
- To enjoy each member's knowledge and friendship in an informal manner.
- To provide a relaxed, pleasant environment in which to meet during selected coin shows and other convenient events.
- To encourage the appreciation and preservation of a Southern gold coin's original surfaces.
- To consolidate the information, resources, and talent available to enthusiasts of these historic Southern gold coins.

Annual Membership Fees

Regular $25 (January-December).

Membership for new members joining in October, November, or December extends through the next year. Checks for membership fees should be made payable to the Southern Gold Society and mailed to **David Crenshaw, P.O. Box 237, Dacula, GA 30019-0004**.

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